

ALTERNATIVE MODELS FOR PROFESSIONAL ASSOCIATIONS AND COOPERATIVES

Nancy J. Tucker, CAE
for
DAI – Fintrac
Middle East Partnership Initiative
U.S. Agency for International Development
RAISE SPS Program

The purpose of this project was to provide information to specified organizations in Morocco on various U.S. models of associations, commodity specific groups, and cooperatives involved in the fresh and processed produce industry. A background document of these models was created by Fintrac and a corresponding presentation was developed by Nancy Tucker. These communication pieces included information on structure and organization, financing, and services. Nancy gave the presentation to each association/organization involved in the project, which were consecutively translated by Don Humpal. Consultation with each Moroccan organization followed the presentation.

Saturday, December 6, 2003

1:30 on – travel and presentation development

Sunday, December 7, 2003

I arrived in Agadir in the late afternoon and was met by Don Humpal. We visited the SIFEL show which featured some producers and many equipment and input companies. Many of the booths had already begun to shut down at this time of the afternoon, we saw some stands, met Samir Tazi, director of marketing and communications (volunteer), of APEFEL and talked with others in the industry. Later, we met with Mr. Tazi at the hotel and he helped finalize attendance for the meeting with APEFEL the next day.

Monday, December 8, 2003

Don Humpal and I visited the GROUPE SOPROFEL's headquarters (tomato producer) and toured their packing house and talked with the principals of the company about growth opportunities and challenges in exporting.

We met with approximately 10 members and staff of APEFEL. I gave my speech and Don translated, adding information or tailoring comments with his knowledge of the people and the marketplace.

That evening, we traveled to Casablanca.

Tuesday, December 9, 2003

We met with FICOPAM staff and members in the building of FENAGRI. Nadia Rhaoui of CPME attended and was very interested to learn more about trade shows in North American where fresh produce of Morocco could be promoted.

Wednesday, December 10, 2003

The presentation was given (and translated) to ASPEM staff and members and to the interim director and Najib Mikou, Development Manager of EACCE in a working meeting.

Thursday, December 11, 2003

Another working meeting was held, this time with Abdelhak Lahmam Bennani of FICOPAM. Don and I had very detailed discussions about the prospects and viability of a trade show for the fresh produce, processed, and fish industries of Morocco. The second part of the meeting was spent talking about strategies for obtaining better results when companies from Morocco exhibit overseas.

Friday, December 12, 2003

I traveled with Patrick Fachot to Rabat to meet with Richard Rousseau and Jaouad Bahaji. at the office of the U.S. Agency for International Development. I presented an overview of the findings contained in this report and gave them the document drafted by Fintrac and a copy of the presentation I had developed.

Saturday, December 13, 2003

Travel and report writing

Overview

The presentation and accompanying document by Fintrac described the three main types of organizations and further breakdowns:

- Associations
 - National
 - Regional
 - State
- Commodity specific groups
- Cooperatives
 - New generation cooperatives

For each category of organization, the following information was provided:

- Structure
- Financing
- Benefits
- Services offered

Overall, the associations we met with were most interested in:

- Revenue generation through:
 - Events
 - Getting members to pay their membership fee
 - Getting members to pay for services
 - The commodity check-off program (marketing orders for commodity specific groups) – voluntarily decided upon and mandatory to comply.
- Structure
 - Board of directors – representation of members and rotation
 - Executive Committee – its composition and responsibilities
 - Vertical structure of an association like the Produce Marketing Association
 - Staff roles and the importance of professional staff
 - Differences between national, regional, and state organizations
 - Non domestic members being considered equal to domestic members
- Other
 - Type of services offered by the associations

Summary

Here is a short summary of the focus of each association during our discussions. A more in-depth explanation follows.

APEFEL – Revenue generation was a key issue for this association. They want to increase income from events and to begin providing some services for a fee instead of for free.

They were particularly keen about increasing the vertical structure of their association by involving supply chain partners (transporters, importers, wholesalers) from the countries to which they export into the association.

The existence and purpose of an Executive Committee and the importance of professional staff was valuable for them.

Volunteer president: Abderrazak Mouisset

Other key volunteer contact: Samiz Tazi, director of communications

Staff director: Lahcen Akrim

ASPEM – Most of the questions revolved around the structure of the associations, how they were created and how they evolved. There were also some very specific “how to export” questions.

Volunteer president: Bouchaib Zahidi

Staff director: Mustapha Ouali

FICOPAM – The key focus of the FICOPAM staff was exhibits, in Morocco and outside the country. We discussed ideas for recreating SAM (Salon Alimentaire du Maroc) including management, location, timing, and promotion. They also wanted information on how to effectively participate in the exhibitions of others (preparation, pre and post show marketing, training for on-site staff, and follow up).

Volunteer president: Mohamed Chraibi

Staff contact: Abdelhak Lahmam Bennani

- Moroccan Center for Export Promotion (CMPE) – They were interested in knowing more about U.S. shows to participate with a Moroccan booth.
 - Staff contact: Nayda Rhaouti

EACCE – This group focused more on the types of issues that association deal with. They were very glad to get breakdowns and examples of the various association and group models to use for association building in Morocco. This would include gathering a group of leaders to review the models, brainstorm about ideas and create 2-3 models for association in Morocco that could be voluntarily decided upon.

Interim staff director

Majib Mikou, Director of Development.

Review of discussions with associations/organization

APEFEL. This association is working to increase the association's membership and would like to include the citrus growers in the association. If they did, then APEFEL's membership could account for 80% of fresh exports.

Some of their services include:

- Market flash on market prices in the EU and on tariffs
- Consolidating orders for buyers
- Consolidating information for association members
- Newsletter
- Conferences/expo

Revenue from the show, SIFEL, was about 20% of what they receive from membership dues. They hope that in 1-2 years, their technical conferences and shows will be 40% of revenue and cover direct costs of the association (office, staff, secretary, trips for lobbying, etc.). APEFEL is moving away from offering most of their services for free, and will be asking for more payment for services.

What was most useful in the presentation?

- Financing – how the associations get their funds and what makes money.
- Structure of staff – what they do and the importance of professional staff
- Existence and purpose of the Executive Committee
- Vertical structure of PMA

- That companies outside the country could be full and equal members of the association.

APEFEL feels they need to reanalyze the structure of the association. They would like to explore how to increase non-Moroccan involvement in the association. They believe this offers much potential for getting closer to companies in the supply chain in the countries to which they export and see this as easier/cheaper than investing in these companies. However, to attract these companies to membership, they have to offer value. Interestingly enough, it could be equally important for the importers, transporters, distributors, and wholesalers in other countries to use membership as a low risk way to get to know Moroccan companies.

The association could facilitate this networking (and provide member benefits) through providing lists of members and holding events for face to face meetings. The latter provides the additional benefits of professional development and education for the members and registration revenue for the association. Other services the association could offer include information on supplies coming from Morocco and a forum to help resolve supply chain issues and problems.

EACCE. EACCE is a regulatory body that is working on a project to help restructure associations. They are getting more involved in marketing and promotion and provide the following services (plus others):

- Information systems
- Compilation of statistics.
- Verification of exports, quality, weights, and volume (to watch for how volume will impact tariffs)
- Laboratory services
- Negotiations of floor prices between raw material suppliers and processors
- Working on standards

What was most valuable from the presentation?

- Financing and revenue generation
- Difference in the offerings, purpose, and services of national, regional, and local associations.
- Understanding the differences between associations, commodity specific groups, and cooperatives (their structures and financing).

EACCE said the examples will be very helpful as they work with associations to create new structures. They intend to bring people together to brainstorm and develop 2-3 models that could be voluntarily decided upon.

ASPEM. The ASPEM meeting attracted approximately 18 people, including the president. There were substantial questions & answers, especially concerning how one example, the Produce Marketing Association, began and how the structure was created. Then questions turned more product and business specific topics such as what can be

exported to the U.S., the seasonal windows, how to market, and how they would receive their returns.

FICOPAM. The staff at FICOPAM were very interested in receiving copies of typical association by-laws. One of the key impacts of the presentation was the vertical structure of PMA.

Key areas of need for this association are help in structuring a domestic exposition and becoming more effective when they exhibit overseas. A special working session was held with this group to go over these areas in depth.

Working session – Exposition in Morocco:

FICOPAM used to be one of the organizers of SAM (Salon Alimentaire du Maroc) which combined fresh and processed producers. Seven annual editions of the show were held through March of 2002. FICOPAM then wanted to switch to a schedule for a Moroccan show to be held overseas in odd years, with a national show moved to Agadir in the even years. There is no show planned for 2003, because the show organizer (Toro) decided to leave the show organization business, but they hope to renew it for 2004.

Typically, the show producer does everything except selling sponsorships. This includes selling booth space, promotions, booth equipment, etc. During the last three months, the association might help push some of their members to be exhibitors if this was still needed and send some information/promotions. The past show producer usually paid more attention to bringing in exhibitors than attracting buyers to the show.

We discussed the need to provide value to the buyers to attract them to come. Consolidation has reduced their ranks and as many suppliers go to see them in their offices, they need more incentive to attend a trade show. Mr. Bennani talked about offering farm/facility tours in addition to an education program. He noted that buyers from Africa and the Middle East need to be treated much differently than buyers from Europe or North America.

FICOPAM is currently thinking about holding SAM in even years, with the next in 2004 in Agadir, bringing together the fresh, processed and fish industries, as the fresh and fish industries are heavily concentrated in Agadir. The odd years might feature a Moroccan show in the northern European countries. I told them of the new dates for a couple key European produce shows to help them plan the timing for this event.

A problem they face with the show in Morocco is identifying a good show producer with whom to partner. A good Moroccan company does not seem to exist. They would like to work with a domestic company instead of using a producer from another country.

I suggested that they might consider splitting the show producer duties between two companies. A marketing company could be hired to do the promotions and exhibit sales. Another company could be hired to do the shipping, exposition set up, move in,

and tear down. Gradually, the association could start to take more of the promotional activities in-house, thus keeping more of the revenue.

Mr. Bennani said they may consider creating a new company to be the show producer, backing this organization with investment from the association. Thus, the company would be closely tied to the association. The new show producer could handle other shows in the food industry as well. Right now, no one person or company can do this, so they would corner the market.

Working session – Participating in exhibits outside Morocco:

- CMPE coordinates Moroccan exhibits at the following shows:
- SIAL Montreal, March
- Alimentaria Barcelona, March
- Fancy Food Show, New York City, late June/early July (will attend the one in San Francisco in Jan 04 – no exhibit)
- POLAGRA, Poznan, Poland, September
- SIAL/ANUGA, October

Their strategic plan targets Poland, Hungary, and Romania. There has been a Moroccan presence in Poland for a few years. They are just starting in Hungary. Since Romania will not be entering the EU in 2004, they are just working on research here. Fifty (50) million of the seventy (70) million new consumers entering the EU with the addition of ten new Eastern European countries will be coming from Poland and Hungary.

FICOPAM wanted suggestions on how to effectively prepare for and participate in an exhibit. I provided the following rough outline:

- Pre-show marketing. Send information about the booth such as where to find it, why it is important to visit, and perhaps an incentive (coupon to redeem for a gift at the booth) to the buyers they want to reach prior to the show.
 - Get list of these attendees from the show management or association
- Training staff. Prior to the show, train the booth staff on proper booth etiquette, how to identify leads, the type of information they want to capture, etc.
 - Create a form to help booth staff remember what information to obtain.
- Hold a special reception or dinner for key buyers during the show. Confirm attendance and do so again at the last possible moment (buyers usually have a lot of demands on their time and these confirmation may help increase attendance).
- Follow up. Contact each lead to thank them for stopping by. If by email, this should include a link to their site. Supply the information they are looking for and/or pass these contacts on to the appropriate company. Work with the companies to ensure they follow up.

We discussed the promotional materials they use. I suggested they also create a one-page sheet describing the association and what it can do for contacts that could be translated into 5-6 languages so they have something that can be distributed quickly

and easily at major European shows. The other, more expensive materials they can save for qualified buyers. I reinforced the importance of having the information on their web site as sometimes people don't want to take a lot of papers home with them. They are updating their web site now and plan to include this information.